

## MINUTES OF THE SENATE WAYS & MEANS

The meeting was called to order by Chairman Jay Elmer at 11:00 a.m. on January 13, 2009, in Room 545-N of the Capitol.

All members were present except:  
Senator Taddiken - excused

### Committee staff present:

Alan Conroy, Kansas Legislative Research Department  
J. G. Scott, Kansas Legislative Research Department  
Mike Steiner, Kansas Legislative Research Department  
Estelle Montgomery, Kansas Legislative Research Department  
Christina Butler, Kansas Legislative Research Department  
Dylan Dear, Kansas Legislative Research Department  
Cody Gorges, Kansas Legislative Research Department  
Aaron Klaassen, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Heather O'Hara, Kansas Legislative Research Department  
Reagan Cussimanio, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Corey Carnahan, Kansas Legislative Research Department  
Jarod Waltner, Kansas Legislative Research Department  
Jonathan Tang, Kansas Legislative Research Department  
Jill Wolters, Office of the Revisor of Statutes  
Daniel Yoza, Office of the Revisor of Statutes  
Melinda Gaul, Chief of Staff  
Shirley Jepson, Committee Assistant

Conferees:  
None

Others attending:  
See attached list.

### **Staff Introductions**

Chairman Emler welcomed the Committee to the first meeting of the 2009 Legislative Session.

The staff of the Legislative Research Department, Office of the Revisor of Statutes and Chairman's Office were introduced.

### **Committee/Conferee Rules**

Chairman Emler presented and discussed the committee rules and conferee rules for the 2009 Legislative Session (Attachment 1).

### **Introduction of Proposed Legislation**

Senator Vratil moved to introduce three pieces of legislation pertaining to (1) school districts and capital improvements; (2) school districts and issuance of no-fund warrants; and (3) school districts and financing the costs of utility services and insurance. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Responding to a question from the Committee with reference to the legislation on capital improvements, Senator Vratil stated that, at the present time, the State subsidizes bond and interest payments paid by school districts. The proposed legislation would suspend the state payments on school district bonds issued after December 31, 2008. This would affect school district who had bonds approved by voters in November 2008 and have not been issued as of December 31, 2008.

## CONTINUATION SHEET

MINUTES OF THE Senate Ways & Means at 11:00 on January 12, 2009, in Room 545-N of the Capitol.

Senator Vratil noted that all three pieces of proposed legislation would sunset in two years or June 30, 2011.

Senator Kelly moved to introduce legislation incorporating the Governor's Budget Recommendations for FY 2009 and FY 2010. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

### **Update on State Revenues**

Alan Conroy, Legislative Research Department, presented an update on State General Fund (SGF) Receipts Estimates for FY 2009 and FY 2010 ([Attachment 2](#)); November, 2008 Consensus Revenue Estimates for FY 2009 and FY 2010 ([Attachment 3](#)); State General Fund (SGF) Receipts, July through December, FY 2009 ([Attachment 4](#)); and Overview of FY 2010 Recommendations from the Governor's Budget Recommendations ([Attachment 5](#)). Mr. Conroy reported that the latest consensus revenue estimate for FY 2009 was decreased by \$211.4 million, or 3.5 percent, below the previous estimate of April 2008, reflecting the state of the national and state economies. Revenue estimates for FY 2010 primarily remains unchanged. Mr. Conroy noted that, at the time of the revenue estimates, there had been no layoffs in the aircraft industry presenting one of the strong points for the state economy. Mr. Conroy stated that the national forecast indicates that the downturn in the economy will continue through 2009 and 2010, with no anticipated upturn until late in 2010 or possibly 2011.

In addition, Mr. Conroy reported that total receipts through December of FY 2009 were \$44.6 million, or 1.6 percent, below the estimate. Only one tax source, retail sales, exceeded the estimate by more than \$1.0 million. Although SGF receipts through December of FY 2009 were \$224.6 million, or 8.9 percent, above FY 2008 for the same period, Mr. Conroy reminded the Committee that two large transfers were made out of the SGF in FY 2008 to the Keeping Promises Education Trust Fund and the Statewide Maintenance and Disaster Relief Fund, which distorts the comparison. Tax receipts only for the same period were below FY 2008 by \$22.4 million, or 0.8 percent.

### **Children's Initiatives Fund, FY 2008 - FY 2009**

Amy Deckard, Legislative Research Department, presented an update on the Children's Initiatives Fund (CIF), FY 2008 - FY 2009 ([Attachment 6](#)). Because of legislation approved by the 2008 Legislature, it is anticipated that the balance in the fund at the end of FY 2009, will be \$29,556.

### **State Water Plan Fund, FY 2007 - FY 2008 - FY 2009**

Heather O'Hara, Legislative Research Department, presented an update on the State Water Plan Fund, FY 2007 - FY 2008 - FY 2009 ([Attachment 7](#)). Ms. O'Hara noted that the transfer to the Economic Development Initiatives Fund (EDIF) was increased by the 2009 Legislature from \$2 million to \$3.04 million. Although the report shows a negative balance, Ms. O'Hara reported that encumbrances released during the latter part of 2008 improved the balance in the fund to a positive balance.

### **Economic Development Initiatives Fund (EDIF), FY 2007-2009**

Michael Steiner, Legislative Research Department, presented an update on the Economic Development Initiatives Fund (EDIF), FY 2007-2009 ([Attachment 8](#)). Mr. Steiner noted that actions by the 2008 Legislature resulted in a negative balance in the fund.

### **Adjournment**

The meeting was adjourned at 12:05 p.m. The next meeting is scheduled for 10:30 a.m. on January 14, 2009.